CORPORATIONS — DIRECTORS AND OTHER OFFICERS — TRUST FUND THEORY. — The directors of the A corporation, without giving notice to creditors, transferred all the corporate assets to the B corporation, which contracted to pay the debts of the A corporation. Later, the plaintiff recovered a judgment against the A corporation and, execution being returned unsatisfied, brought suit against the directors. *Held*, that the directors are liable. *Darcy* v. *Brooklyn & New York Ferry Co.*, 89 N. E. 461 (N. Y.).

Although a statute controlled the principal case, it was not regarded as necessary to the decision. See *Darcy* v. *Brooklyn & New York Ferry Co.*, 127 N. Y. App. D. 167. The result is reached on the American theory that the corporate assets are a trust fund for the benefit of creditors. This doctrine, formerly widely accepted in this country, has been rejected in many jurisdictions and is generally adversely criticized by legal writers. See *Hollins* v. *Brierfield Coal Co.*, 150 U. S. 371; THOMPSON, CORPORATIONS, 2 ed., § 3418. But even where this theory is renounced, creditors are allowed to assert a claim to corporate assets which have been distributed among the shareholders or otherwise conveyed away without value given to the corporation, on the ground that this constitutes a fraudulent conveyance. *Hospes* v. *Northwestern Mfg. Co.*, 48 Minn. 174. And it would seem that directors, who have directly caused such a fraudulent conveyance without making proper provision for creditors, should be held responsible to the parties prejudiced thereby. Nor should the fact that the vendee has contracted to assume the debts protect the directors, as they have no right to force the creditors into a novation.

CORPORATIONS — DUTIES OF DIRECTORS — NEGLECT RESULTING FROM ABSENCE UPON VACATIONS. — The defendants were directors of a trust company whose by-laws required monthly directors' meetings. A meeting was omitted because of the absence of several directors upon vacations. Losses resulted to the trust company which would have been prevented had the directors met and exercised proper supervision over certain loans. *Held*, that the directors are accountable to the trust company for such losses. *Kavanaugh* v. *Commonwealth Trust Co.*, 118 N. Y. Supp. 758 (Sup. Ct.).

The precise amount of care which is required of a director is hard to define. Each case must be considered separately upon its particular circumstances. *Briggs* v. *Spaulding*, 141 U. S. 132, 147. Two lines of cases, however, are clearly distinguishable. The one sets as a test the care which a man ordinarily takes of his own private affairs. *Hun* v. *Cary*, 82 N. Y. 65; *Ackerman* v. *Halsey*, 37 N. J. Eq. 356. The other only holds directors to liability where they have substantially acted in bad faith. *Swentzel* v. *Penn Bank*, 147 Pa. St. 140; *Briggs* v. *Spaulding*, *supra*. The reason suggested for the more lenient view is that men of wealth and reputation will not undertake the gratuitous duties of a director, if they are likely to find themselves subjected unwittingly to enormous liabilities. *Spering's Appeal*, 71 Pa. St. 11, 21. The answer obviously is that the only purpose which can be served by directors who are not conversant with the affairs of the business and who do not devote their attention to supervising the administrative officers, is to deceive the investing public. *Gibbons* v. *Anderson*, 80 Fed. 345, 350. The present decision is likely to have a salutary influence upon directors who are inclined to regard their duties as merely perfunctory.

COVENANTS RUNNING WITH THE LAND — ASSIGNEE OF GRANTEE IN FEE BOUND BY COVENANT TO BUILD AND MAINTAIN. — The plaintiff conveyed land to a railroad in fee, in consideration of the latter's covenant to build and maintain a station on the land conveyed. *Held*, that the grantee of the railroad is liable for a breach of the covenant. *Louisville, H. & St. L. Ry. Co.* v. *Baskett*, 121 S. W. 957 (Ky.). See NOTES, p. 298.

CRIMINAL LAW — JURISDICTION — LOCALITY OF PUBLICATION OF LIBEL. — An alleged criminal libel was printed in the defendants' newspaper at Indianapolis,